Hearing Date: February 13, 2001
Committee On: Banking, Commerce and Insurance

Introducers: (Bromm)
Title: Authorize use of risk management pools for employee health, dental, accident, and life insurance purposes

Roll Call Vote – Final Committee Action:

X   Advanced to General File

Advanced to General File with Amendments

Indefinitely Postponed

Vote Results:

8   Yes   Senators Landis, Tyson, Aguilar, Bourne, Bruning, Jensen, Kremer, Smith

No
Present, not voting
Absent

Proponents:	**Representing:**
Senator Curt Bromm	Introducer
Sheila Schukei	City of Norfolk
Jack Mills	Self
Randy Boldt	Blue Cross/Blue Shield of NE
Tom Bassett	NE Dental Association
Tom Spunaugle	City of Imperial
Lynn Rex	League of Nebraska Municipalities
Chris Dibbern	NE Municipal Public Power Energy

Opponents:	**Representing:**

Neutral:	**Representing:**
Scott Sidwell	Nebraska Association of County Officials

Summary of purpose and/or changes:
        LB 664 (Bromm) would amend various sections of the Intergovernmental Risk
Management Act in order to allow two or more public agencies (political subdivisions, the State
of Nebraska, the University of Nebraska, and any instrumentality of the state) to form a risk

management pool to provide group self-insurance or standard insurance for health, dental, accident, and life insurance coverage to member's employees and officers.

The bill would provide, section by section, as follows:

Section 1 would amend section 44-4302 of the Intergovernmental Risk Management Act to provide legislative findings (1) that the provision of employee benefit plans is essential to the proper functioning of state and local government, and (2) that benefits can be derived through pooling of purchasing by state and local government.

Section 2 would amend section 44-4303 of the Intergovernmental Risk Management Act to provide definitions for new terms: "accident insurance," "dental insurance," "health insurance," and "life insurance."

Section 3 would amend section 44-4304 of the Intergovernmental Risk Management Act to provide that any two or more public agencies (political subdivisions, the State of Nebraska, the University of Nebraska, an instrumentality of the state) may agree to form a risk management pool for the purpose of providing to members group self-insurance or standard insurance, or a combination, in order to provide health, dental, accident, and life insurance to member's employees and officers.

Section 4 would amend section 44-4313 of the Intergovernmental Risk Management Act to provide that the capital, surplus, and other funds of a risk management pool may be invested as authorized under the Insurers Investment Act (section 44-5101 to 44-5154) for an "insurer" rather than only "a domestic property and casualty insurance company".

Section 5 would amend section 44-4315 of the Intergovernmental Risk Management Act to provide that no risk management pool shall be a member of the Nebraska Life and Health Insurance Guaranty Association.

Section 6 would amend section 44-4317 of the Intergovernmental Risk Management Act to provide that a risk pool member may levy a tax and contract indebtedness to pay the premium costs of health, dental, or accident insurance, and life insurance associated with a risk management pool.

Section 7 would amend section 44-4320 of Intergovernmental Risk Management Act to provide that a risk management pool shall each year pay an assessment of five-tenths of one percent of annual contributions received by the pool less any amount for excess or aggregate insurance during the immediately preceding calendar year for health, dental, and accident coverage. Each risk pool currently pays an assessment of one percent of annual contributions for coverage of all other risks included within the pool's group self-insurance. Assessments paid pursuant to this section are distributed in the manner provided for premium tax.

Section 8 would provide repealers.

Explanation of amendments, if any:

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Senator David M. Landis, Chairperson